

### House GOP rejects payroll tax cut

By Andrew Taylor

Nebraska and Iowa House members split along party lines in Tuesday's rejection of the Senate's two-month payroll tax cut extension. Instead, the House approved a resolution laying out what it would like to see in a final deal. Midlanders again split along party lines, except for Rep. Jeff Fortenberry, R-Neb., who voted against the payroll tax cut extension.

The resolution called for a full-year extension of the payroll tax cut and other provisions, including "final approval of the Keystone XL pipeline."

That is stronger than the language already approved by the House, which would require President Barack Obama to simply make a decision within 60 days; Obama could deny the permit if he determined it was not in the national interest. "Some thought that gave him too much wiggle room," said Rep. Lee Terry, R-Neb., who wants a Keystone deadline.

Still, it's not clear whether the stronger language could end up in an actual bill because it's not clear there will be any new bill. One of the House Republicans' complaints about the Senate extension is that two months would not provide enough certainty and would not be feasible. Yet Rep. Louie Gohmert, R-Texas, introduced legislation about three years ago that included a two-month suspension of both payroll and income taxes, paid for with money from the Wall Street bailout fund.

Gohmert's bill had the support of 56 co-sponsors, including Terry. But Terry said Tuesday that drawing a line from the Gohmert bill to the current legislation is "comparing apples to oranges right now" and that many other issues are at stake in this fight. For example, the Senate stripped out changes to unemployment benefits included in the House legislation.

— World-Herald staff writer Joseph Morton

WASHINGTON — The House on Tuesday rejected legislation to extend a payroll tax cut and jobless benefits for two months, drawing a swift rebuke from President Barack Obama that Republicans were threatening higher taxes on 160 million workers on Jan. 1.

Obama, in an appearance in the White House briefing room after the House vote, said the two-month compromise is the only way to stop payroll taxes from going up by two percentage points.

"Now let's be clear," Obama said in a surprise appearance. "The bipartisan compromise that was reached on Saturday is the only viable way to prevent a tax hike on January 1. The only one."

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